

The Nasdaq Stock Market, Inc. Membership Application Form

An applicant for membership with The Nasdaq Stock Market, Inc. must complete this Membership Application Form, including Exhibit A (collectively "Application Documents"). Completed Application Documents, including the supplemental materials requested, should be sent via certified or first class mail, or via courier or messenger service, to Nasdaq, [address], to the attention of Membership Application Processing.

Each application must be accompanied by a check for the full amount of the application fee for The Nasdaq Stock Market. Please note that this fee is non-refundable.

Important: Each applicant is required to update any information submitted as part of the application process that becomes inaccurate or incomplete after the submission of the application.

General Information

Application Date:

Applicant Name:

Address:

Applicant's Central Registration Depository Number:

Applicant's Designated Examining Authority:

Firm Contact Name:²

Contact Title:

Phone No.:

Fax No.:

E-mail Address:

² Provide the name of the person who may be contacted regarding questions concerning this application.

Self-Regulatory Organization (“SRO”) Memberships

Indicate below the SROs of which the Applicant is a Member:

- National Association of Securities Dealers (“NASD”)
- New York Stock Exchange
- American Stock Exchange
- Boston Stock Exchange
- Chicago Stock Exchange
- Chicago Board Options Exchange
- Cincinnati Stock Exchange
- Pacific Exchange
- Philadelphia Stock Exchange

Nature of Activity on Nasdaq

Indicate the business in which the firm intends to engage as a Nasdaq member:

- Market Maker
- Order Entry Firm
- Electronic Communications Network/Alternative Trading System
- Other: _____

Indicate the types of securities which the firm intends to trade:

- Nasdaq National Market
- Nasdaq Small Cap
- Over-the-Counter (“OTC”) Bulletin Board
- Other OTC
- Listed Nasdaq InterMarket
- Listed Third Market
- Other

Personnel

Provide the Name and Central Registration Depository (“CRD”) Number of the person primarily responsible for the firm’s Nasdaq trading activity.

Name: _____
Title: _____
CRD No.: _____

Supplemental Information

Applicant is requested to provide the following information:

- (A) a copy of the Applicant's current Form BD, with applicable schedules;
- (B) a copy of a current Form U-4 for each Associated Person who is required to be registered under the Nasdaq Rules;
- (C) an original Nasdaq-approved fingerprint card for each Associated Person who will be subject to SEC Rule 17f-2;
- (D) a check for the appropriate fee;
- (E) business information, including:
 - (i) a balance sheet and computation of net capital, each of which has been prepared as of a date that is within 30 days before the filing date of the application;
 - (ii) an organizational chart;
 - (iii) the intended location of the Applicant's principal place of business and all other offices, if any, whether or not such offices would be required to be registered under the Nasdaq Rules, and the names of the persons who will be in charge of each office;
 - (iv) a list of the types of securities to be offered and sold and the types of retail or institutional customers to be solicited;
 - (v) the number of markets to be made, if any, the type and volatility of the products, and the anticipated maximum inventory positions;
 - (vi) any plan to distribute or maintain securities products in proprietary positions, and the risks, volatility, degree of liquidity, and speculative nature of the products; and
 - (vii) a description of the communications and operational systems the Applicant will employ to conduct business with customers or other members and the plans and procedures the Applicant will employ to ensure business continuity, including: system capacity to handle the

- anticipated level of usage; contingency plans in the event of systems or other technological or communications problems or failures that may impede customer usage or firm order entry or execution; system redundancies; disaster recovery plans; system security; disclosures to be made to potential and existing customers who may use such systems; and supervisory or customer protection measures that may apply to customer use of, or access to, such systems;
- (F) a copy of any decision or order by a federal or state authority or self-regulatory organization taking permanent or temporary adverse action with respect to a registration or licensing determination regarding the Applicant or an Associated Person;
- (G) documentation of any of the following events, unless the event has been reported to the Central Registration Depository:
- (i) a regulatory action against or investigation of the Applicant or an Associated Person by the Commission, the Commodity Futures Trading Commission, a federal, state, or foreign regulatory agency, or a self-regulatory organization that is pending, adjudicated, or settled;
 - (ii) an investment-related civil action for damages or an injunction against the Applicant or an Associated Person that is pending, adjudicated, or settled;
 - (iii) an investment-related customer complaint or arbitration that is required to be reported on Form U-4;
 - (iv) a criminal action (other than a minor traffic violation) against the Applicant or an Associated Person that is pending, adjudicated, or that has resulted in a guilty or no contest plea; and
 - (v) a copy of any document evidencing a termination for cause or a permitted resignation after investigation of an alleged violation of a federal or state securities law, a rule or regulation thereunder, a self-regulatory organization rule, or an industry standard of conduct;
- (H) a description of any remedial action, such as special training or continuing education requirements or heightened supervision, imposed on an Associated Person by a state or federal authority or self-regulatory organization;
- (I) a written acknowledgment that heightened supervisory procedures and special educational programs may be required pursuant to NASD Notice to Members 97-19 for an Associated Person whose record reflects disciplinary actions or sales practice events;

(J) a copy of final or proposed contracts with banks, clearing entities, or service bureaus, and a general description of any other final or proposed contracts;

(K) a description of the nature and source of Applicant's capital with supporting documentation, the risk to net capital presented by the Applicant's proposed business activities, and any arrangement for additional capital should a business need arise;

(L) a description of the financial controls to be employed by the Applicant;

(M) a description of the Applicant's supervisory system and a copy of its written supervisory procedures;

(N) a description of the number, experience, and qualifications of supervisors and principals and the number, experience, and qualifications of persons to be supervised by such personnel;

(O) a Web CRD entitlement request form and a Member Contact Questionnaire user access request form; and

(P) a copy of the Applicant's most recent "FOCUS Report" (Form X-17A-5) filed with the SEC pursuant to SEC Rule 17a-5 (the most current Parts I, II, and IIA, as applicable).

The Nasdaq Stock Market, Inc.
Exhibit A to Membership Application Form

Agreement of Applicant for Membership in The Nasdaq Stock Market, Inc.

Applicant Name: _____ CRD Number: _____

In connection with this application for membership in The Nasdaq Stock Market, Inc. ("Nasdaq"), and in the event that this application is approved for Nasdaq membership, the Applicant hereby agrees to abide by the terms and conditions set forth below:

The Applicant undertakes to (1) engage only in those activities permissible pursuant to its membership(s) with Nasdaq, the National Association of Securities Dealers, the New York Stock Exchange, and any other Self-Regulatory Organization of which the Applicant is a member; (2) obtain the prior approval of Nasdaq pursuant to Nasdaq Rule 1017 for any material change in operations; and (3) file an application with Nasdaq at least 30 days prior to effecting a change in the ownership or control of the Applicant pursuant to Nasdaq Rule 1017.

Pursuant to Nasdaq Rule ____/Nasdaq By-Law _____ the Applicant also agrees:

A. To comply with the federal securities laws, the rules and regulations thereunder, the rules of the Municipal Securities Rulemaking Board and the Treasury Department, the Nasdaq By-Laws, the Nasdaq rules, the rules and By-Laws of the NASD (if Applicant is an NASD member), and all rulings, orders, directions and decisions issued and sanctions imposed under the Rules of Nasdaq and the NASD (if Applicant is an NASD member).

B. To pay such dues, assessments, and other charges in the manner and amount as from time to time shall be fixed pursuant to the Nasdaq By-Laws, Schedules to the Nasdaq By-Laws, and the Nasdaq Rules;

C. That this Agreement has been executed on behalf of, and with the authority of, the above-named Applicant. The Undersigned and Applicant represent that the information and statements contained within the application and other information filed are current, true, and complete. The undersigned and the Applicant further represent that to the extent that any information submitted is not amended, such information is currently accurate and complete and agree that the information contained in the Applicant's Form BD will be kept current and accurate by proper amending of the form as changes occur.

By: _____
(Print Name)

(Print Title)

(Signature)